

**Executive Summary
of the PARC Board of Directors Meeting
June 22, 2009**

Directors Present: Gil Duken, Henry Fortin, Marion Bourdeau, Kevin Carroll, and Don Garrant

Director Present Via Phone: Jim King

Director Absent: Steve Bouyea

Others Present: Bruce Steadman, Lee Mitchell, Kristyn Dantes, Randall Beach, George Rotella, Marie Winterkorn, and Steve Gagnier

Call to Order: Chairman Duken called the meeting to order at 8:05 a.m.

Pledge of Allegiance:

Public Welcome and Invitation to Comment: None

Prior Minutes:

Chairman Duken asked for a motion to approve the minutes of the April 20, 2009 meeting. Motion to approve by Mr. Fortin, seconded by Mr. Carroll. 6-0 in favor thereof.

Chairman's Report: Mr. Duken stated that PARC has been talking about the Finding Of Suitability for Early Transfer (FOSET) for the last few years. In fact, he said, we have talked about it so much, especially lately, that it might sound like a never-ending search for the lost city of El Dorado or the Holy Grail. At times, it has seemed like a never-ending search. The FOSET process, he noted, has been underway for nearly six years, and its delivery will be over two years after the date we thought we would have it. Today, he said, he would like to clarify what the FOSET is, how important it is to PARC and to our community, and when we expect to receive it.

Mr. Duken stated the FOSET is a legal document (actually a combination of legal documents, that all stacked upon each other would be about three feet tall) that allows the United States Air Force to transfer the last deed for former air base lands to PARC. A FOSET is required, he said, for the last deed because not all of the property to be transferred has been 100% cleaned or remediated of past contamination, stemming from use under the Air Force. The FOSET or its underlying documents have been reviewed by the NYS Department of Health, the NYS Department of Environmental Conservation, the US Environmental Protection Agency, the US Air Force, the Governor's legal and environmental advisors, and numerous other individuals. The FOSET, he continued, contains safeguards in the form of stipulations on how the property may or may not be used, so that any remaining contamination will not present a danger to

people or the environment. Mr. Duken re-emphasized that if the stipulations are followed, use of the property will NOT present a danger to people or the environment. This has been stated and verified by all of these agencies.

In many ways, Mr. Duken said, the FOSET is PARC's Holy Grail. It will allow this last deed to be transferred to PARC, and as a result, buyers who are interested in the various parcels affected by the FOSET will be able to purchase their parcels and to create investments and jobs. Without the FOSET, he stated, PARC's mission would not be finished for many years. With the FOSET, it is expected that PARC will be able to wind down and go out of business over the next 12 to 18 months. Twenty-eight of the 34 parcels in this last deed, he continued, already have buyers lined up, and even though they have had to wait many months longer than they anticipated, all are still prepared to honor their contracts.

Mr. Duken stated that PARC now expects to close on this last deed on July 17. The FOSET currently is in the Governor's office to be signed tomorrow or Wednesday. The DEC, he continued, has approved and signed the documents, and the EPA has committed to sign as early as next week. So, the July 17 closing appears to be obtainable, he said, and to be honest, given the already lengthy FOSET process, it is critical to PARC and the FOSET parcel buyers that a July closing be achieved.

On behalf of the PARC Board of Directors, Mr. Duken thanked all the hard-working people in the Air Force Real Property Agency, the DEC, the DOH, the EPA, the Clinton County IDA, and the Governor's office, who have helped move this FOSET process along. Individuals at the highest levels of all these organizations have been involved directly and personally. The FOSET, he noted, is a fine achievement for all of these folks, and a critical component of the redevelopment and reuse of the former Plattsburgh Air Force Base. You won't see any fireworks on July 17, he stated, but he guarantees that there will be many happy faces at PARC, in Albany, in New York City, in Washington, in San Antonio, and in many other places, when PARC closes on that deed.

Committee Reports: None

Chief Executive Officer: Since there were no committee reports, Mr. Steadman requested department reports.

Engineering Department Report: Ms. Dantes stated that the water tower along Arizona Avenue has been removed, and the job is complete. PARC is in the summer maintenance mode and have hired two temporary summer staff to perform mowing, trimming and weed whacking around PARC controlled buildings. In addition, a contractor has been hired to perform mowing on the remaining 53 acres. The Air Force and Shaw Environment have completed the remaining demolition and foundation removal of the former Central Heating Plant. The remaining remediation work will begin later this summer. In regards to the FOSET, Ms. Dantes said that PARC and the DEC met last Tuesday to finalize the DEC required revisions on mapping. PARC is working closely with the Air Force and their civil engineering firm to ensure the required updates are completed correctly.

Finance Department Report: Mrs. Mitchell reported that year-to-date rents through May 31st are fully collected. Other highlights of her report included:

- There was one property sale in May which provided some additional parking acreage to an existing property owner on New York Road.
- The variance between cumulative rents and sales as compared to the budget continue to be the result of the delay in PARC's receipt of the final FOSET deed from the Air Force. This delay means that PARC will continue to collect monthly rental income on FOSET properties, but will have shortfalls in the budgeted property sales until such time as the FOSET deed is received and the associated closings can be completed for the terms in each purchase agreement.
- Expected receipt of the final deed next month will allow PARC to get back on track with its sales schedule for the upcoming fiscal year.
- The Empire State Development Corporation (ESDC) Phase 12 Grant is approximately 60% complete as of May 31st. PARC's last reimbursement request was approved for payment by our Project Manager back in March. However, the payment is still outstanding to date, and PARC has been advised that payment is not likely to occur before the end of its fiscal year on June 30th. PARC will request periodic updates regarding the status of the payment.
- Preparation of the next payment request for the water tower removal and upcoming pavement work will begin soon.
- The Phase 13 Grant application was slated to be reviewed by the ESDC Board on May 21st but was pulled from their meeting agenda. It will be rescheduled at a later date. Related projects will remain on hold in the meantime as PARC continues to monitor the status of the grant application.
- PARC's current staffing consists of seven full time employees and two summer hires for grounds maintenance during the warmer months.

Legal Report: None

Chief Executive Officer: Mr. Steadman began by urging PARC property owners to keep their parcels cut and groomed. He said he realizes that it's difficult to keep up with in the spring, and especially this spring because we've had more rain than usual, but he has had several complaints. People, he said, generally think it's PARC's responsibility to mow and trim everything that was the former base, but now as we sell more properties, we are less and less responsible. PARC does have approximately 55 acres that are mowed through a contractor and summer help but there are literally hundreds of acres that are other people's responsibility. Nothing, he continued, speaks to a community's involvement in economic development more than how neat and crisp the landscaping looks. That's one of the things we have always prided ourselves on. Literally hundreds of people have made positive comments when driving through PARC over the years on how clean and crisp the lawns look, he said. It says a lot about our community, and he asked for help from all property owners to do their part in maintaining their parcels, as PARC continues to do theirs. Chairman Duken said he and the rest of the Board would be in favor of sending a reminder to owners who are not assuming their responsibilities for maintaining their property. Mr. Steadman said that PARC does that and is going one step further by calling or visiting the property owners.

Mr. Steadman followed up on the FOSET comments made earlier in the meeting. He thanked Steve Gagnier, Site Manager for AFRPA, and his counterparts. The FOSET process has been unbelievably long and complex, and the Air Force's position was pretty much set last summer, early fall. Since then, he said, PARC has been working through the many hoops created by the DOH, DEC, and the EPA, and, now, the Governor's office, so it's been a lengthy process. Everyone involved is looking forward to the July 17th date.

Mr. Steadman said that Grant 13 has been delayed, but that's okay. As the Board members know, grant monies have only been used for construction projects for the last several years, and it requires a dollar for dollar match on PARC's part. Since sales are slow due to the FOSET and the economy, it makes PARC's capability to match those grants dollar for dollar harder than it was a few years ago. We have projects lined up for this grant but if the money doesn't come, those projects won't get done. We will discuss what these projects are at the next meeting. PARC has already achieved nearly all the major construction upgrades including demolition and rehab projects that we had set out to do. There are a few other projects that it would be favorable to do, so if the money comes through, it will be used for those purposes, but the necessary projects are completed.

Old Business: None

New Business: None

Public Comment: None

Chairman: Mr. Duken asked for adjournment to retire to Executive Session. Motion by Mr. Fortin, seconded by Mrs. Bourdeau. 6-0 in favor thereof.

Call to Order: On a motion by Mr. Garrant, seconded by Mr. King. 6-0 in favor thereof.

Mr. Garrant moved to adopt a resolution on the topic of PARC's 403(b) Tax Deferred Annuity Plan, seconded by Mrs. Bourdeau. 6-0 in favor thereof.

Mrs. Bourdeau moved to adopt a resolution on the topic of Parcel 61, seconded by Mr. Fortin. 6-0 in favor thereof.

Mrs. Bourdeau moved to adjourn the public session, seconded by Mr. Garrant. 6-0 in favor thereof.